

Organic Trade for Development



Senior Manager Capacity Development IFOAM-Organics International



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Organic Trade for Development

The goal of OT4D is to foster organic business development in export and domestic trade to create and expand job opportunities in rural areas.





The OT4D project at a glance

Donor support: Swiss State Secretariat for Economic Affairs - SECO

Project duration: September 2019 – June 2023

Countries of intervention: Albania, Serbia and Ukraine

Budget: 6.5 Mio CHF

The OT4D Team



IFOAM- Organics International (Lead agency)

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National Coordination

Ivana Simic (Serbia Organica)

Kateryna Shor (Green Dossier)

Iris Kazazi (Albanian Association of Marketing)

Organic Trade for Development



Export promotion

1. Market information system is available
2. Capacity of business supporters is developed
3. Internationally accepted quality standards and certification systems
4. Company cooperation through Public-Private-Partnerships established
5. Sector convening events strengthen partnerships



Domestic market development

1. Leaders and institutions are enhanced to provide services to producers
2. Domestic consumers demand local organic food
3. Market actors supply organic products on domestic markets
4. Governments apply best practice policies

Component on sustainable growth of organic sector

Taking the needs of the sector at individual, organizational and sectoral level into account, interventions are foreseen that address the needs on all levels with the aim to enhance the institutions that are crucial for sector development.

These institutions are the key drivers for developing the sector through

- a) the promotion of organic,
- b) provision of relevant services,
- c) representation and facilitation of dialogue in the organic sector.

Component outputs



**Sector Governance
enhanced**



Consumer demand



Local markets



Government policy advise



Opportunities for engagement

How to get involved in OT4D?

Capacity Development



- **Organic Leadership Courses**
- **Organic Foundation Courses**
- **Organizational development for local institutions**
- **Facilitation of interactions between local stakeholders**

Consumer awareness raising



- National Campaigns
- Media outreach

#I Grow Your Food

HONESTFOOD

**This is an
organic
tomato.**

It was grown without
inputs that harm
wildlife. It needs
nothing more than
your favourite dressing.



Local markets - Supply meets demand



- **Strengthening local market initiatives – Seed funds**
- **Replication and upscaling of local marketing initiatives**
- **Farmers exchange**
- **Participatory Guarantee Systems (PGS)**

Policy Support



- Policy exchange and discussions – *IFOAM Policy toolkit*
- Regular information sharing on the new EU - Regulation
- Participation in the CEE Roundtable
- Engagement with policy makers



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OT4D – Component on export markets

Toralf Richter
FiBL



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Component on export markets

Organic exports have significantly increased and the organic sector growth is sustainable

- a) Creating / Using Market Information Systems
- b) Capacity Development of BSOs
- c) Support of new quality standards
- d) Initiate Public Private Partnerships
- e) Facilitate market dialogue via platforms



Market Information System (MKIS)

Purpose

- Provide access to relevant information to value chain actors
- Improvement of public policies through increased awareness of market realities

Expected outcome in 2021 (Albania, Serbia)

- Planning of MKIS completed
- Business model for MKIS developed
- MKIS integrated into (aligned with) PPP
- Prototype operating

We will not re-invent the wheel. Existing MKIS are used and supported/improved



Business Support Organizations' Capacity Development

What will be considered as BSO

- BSO, Service Providers/Consultancies

Purpose

- Building up and strengthening capacities of BSOs and service providers to provide better market access services by

Expected outcome in 2021 (Albania, Serbia)

- Assessment of selected BSO/SP completed and thematic areas and skills that need strengthening are defined
- Customized training program developed
- BSO and SP receive support to refining their business model of service provision
- BSO services are promoted



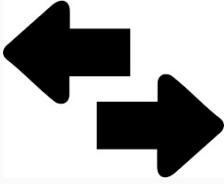
Meeting certification requirements

Purpose

- Target groups know about trends and customer needs about quality / organic standards
- Private consultants and certification bodies have received training to identified needs and will offer additional advisory/certification services

Expected outcome in 2021 (Albania, Serbia)

- Needs are identified in consultation with the target groups
- Collaboration with EOCC is established
- Training plan elaborated
- 2 training events in Balkan countries
- Build up helpline support for local certification bodies



Facilitation of Import-Export-Platforms

Purpose

- Capacity building and social capital development among key actors (within and across countries)
- Enhanced ownership/empowerment of the involved stakeholders about the developed platform
- Improved 'organic image' for involved countries and exporters
- Improved visibility of available organic portfolio, existing services, and service providers

Expected outcome in 2021 (Albania, Serbia)

- Country and international platforms identified
- 1st virtual meetings of platforms CH/EU
- 2 platform meetings in each country to reflect on planned activities
- Platforms have developed/agreed each on their mandate and work plan for 2021/22

Thank you



Organic sector in Serbia

Olga Kešelj Milovanović – Serbia Organica



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Areas in organic agriculture in 2019

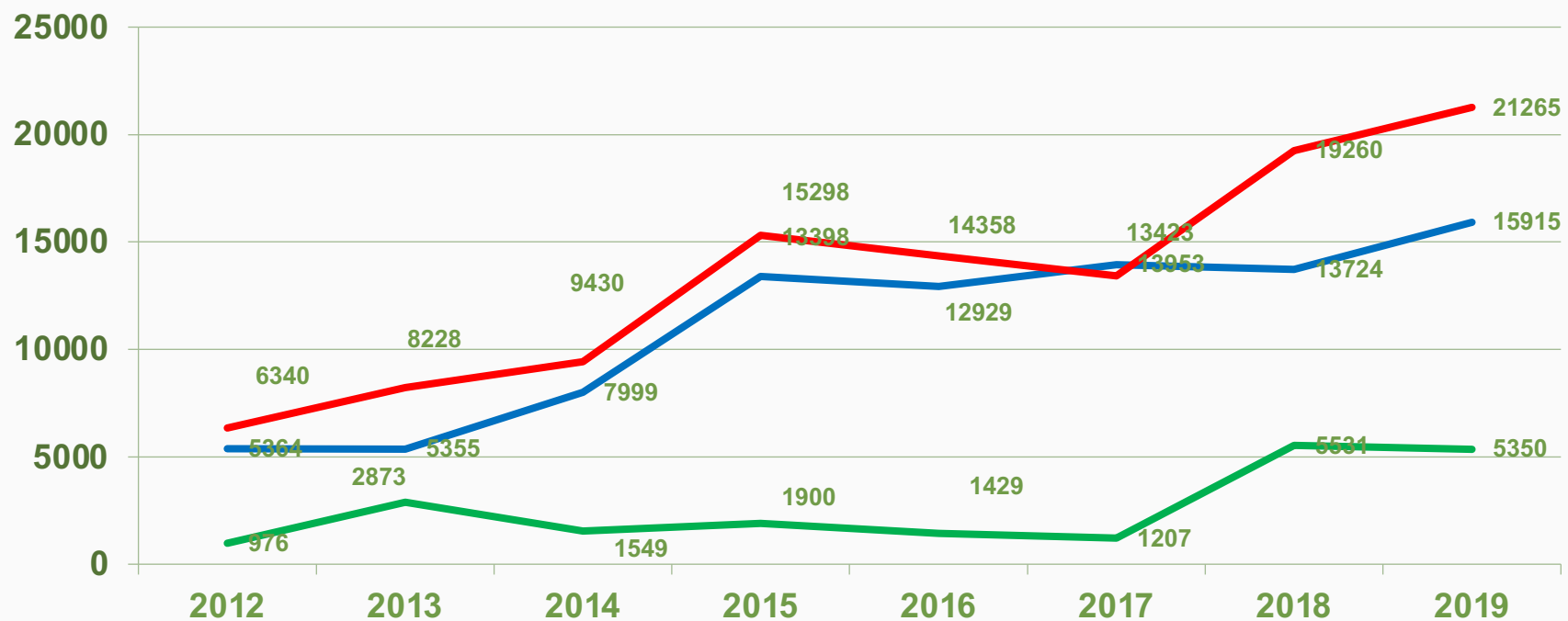


The goal of OT4D is to foster

Type of crop production	In conversion (ha)	In organic status (ha)	Total (ha)
Cereals	2047.6354	2,741.1785	4,788.8139
Industrial crops	126.5688	2,102.9881	2,229.5569
Vegetables	41.9065	142.2552	184.1617
Forage	889.9079	908.0144	1,797.9223
Fruits and vineyards	2159.2661	3,165.0976	5,324.3637
Medicinal and aromatic plants	23.5111	235.0316	258.5427
Other (not sown, reproductive material...)	745.8223	586.2645	1,332.0868
Total arable	6,034.6181	9,880.8299	15,915.4480
Meadows/pastures	1,504.7379	3,845.2561	5,349.9940
TOTAL	7,539.3560	13,726.0860	21,265.4420

Source: MoA

OP in Serbia 2012 - 2019



- Arable area (ha)
- Meadows/pastures (ha)
- Total area under organic production (ha)

Organic livestock production 2015 – 2019



Type of animal	2015	2016	2017	2018	2019
Sheep	4,848	4,378	4,665	5,138	6,099
Pigs	232	283	87	284	315
Cattle	2,746	2,895	3,094	3,594	3,556
Goats	1,686	1,406	2,048	1,486	536
Poultry	1,380	3,158	4,415	6,735	17,880
Donkey	20	2	47	/	/
Horses	218	165	177	114	88
Beehives	2,504	2,878	2,307	3,061	9,969

Source: MoA

Organic Trade for Development



6,251 producers in 2019



29,713,907.65 € export value in 2019



13,283,489.35 kg of exported quantity in 2019



Total certified producers: 534

Co-operants: 5.727
(group certification)

Top products:

—

1. Frozen raspberry (53.4%)
2. Apple concentrate (9.3%)
3. Frozen blackberry (8.6%)
4. Frozen sour cherry (7.3%)
5. Dried plum (3.3%)

Top exported countries

—

1. EU – 85.8% (Germany 34.8%, the Netherlands 14.5%, Italy 12.3%, France 12.2%, Poland 9.2%)
2. USA – 6.9%
3. Canada – 3%
4. Switzerland – 2.3%
5. Australia – 1.3%

Challenges in sector



Production level

—

- Primary processing predominate
- Narrow product assortment
- Lack of investments in ready to eat products
- Seasonal character of farm products
- Relatively high costs of organic inputs
- Lack of interest of cooperative work
- Robust administrative work for CB



Marketing level

—

- Country image
- Strong and reliable partnerships
- Strong competition on international markets
- Low bargaining power of farmers
- High delivery costs of farmers
- Strong competition with imported products
- Low awareness of consumers
- Lack of trust
- Price sensitivity of domestic consumers



Support level

—

- Lack of adequate business support
- Lack of business events
- Lack of information on support measures across Serbia
- Lack of market information
- Lack of adequate advisory service
- Lack of labour
- Lack of business and entrepreneurship skills and knowledge
- Lack of production skills and knowledge
- Setting favourable environment for OP

Planned activities



Production level

—

Public Private Partnership Projects – to improve business and local environment

Enabling legislative framework to support production and producers



Marketing level

—

Establishment of a Market Information System.

National campaign for promotion of OP

Facilitated access of local farmers' products on the market

Remote areas promoted on the market



Support level

—

Strengthening of Business Support Organisations

Training of CB

Establishment of Import- Export-Platforms through sector convening events

Organization of the Organic Leadership Course



Overall goal

- ✓ To build capacities of domestic producers and support organisations
- ✓ To enable favourable environment for continuous and smooth development of organic production
- ✓ To promote Serbia as land of quality organic food
- ✓ To raise awareness of Serbian consumers
- ✓ To make remote domestic organic food accessible on the market
- ✓ To provide information and knowledge to stakeholders along the value chain
- ✓ To improve livelihood conditions and economic prosperity in rural areas
- ✓ To provide adequate and updated information
- ✓ To facilitate partnerships and higher export rate

Thank you



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Organic Sector in Albania

Iris Kazazi - Albanian Association of Marketing



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Overview



Product	Surface	Situation
Olives	43 ha	<ul style="list-style-type: none"> Farmers cooperate with processors of olive oil Organic olive oil sold domestically and exported
Vineyards	25 ha	
Fruits	Less than 14 ha	
Herbs	39 ha	
Strawberries	43 ha	
Apples	5 ha	
Wild collected herbs and MAPs	380,612 ha	<ul style="list-style-type: none"> Mainly processing Companies are the owners of the organic certification Not the entire area is yet organic-certified The entire area is not completely organic certified
Chestnuts	2,400 ha	
Vegetables	6 ha	
Cultivated MAPs	395 ha	

Overview on organic value chains

Legislation Development



Important Legal aspects

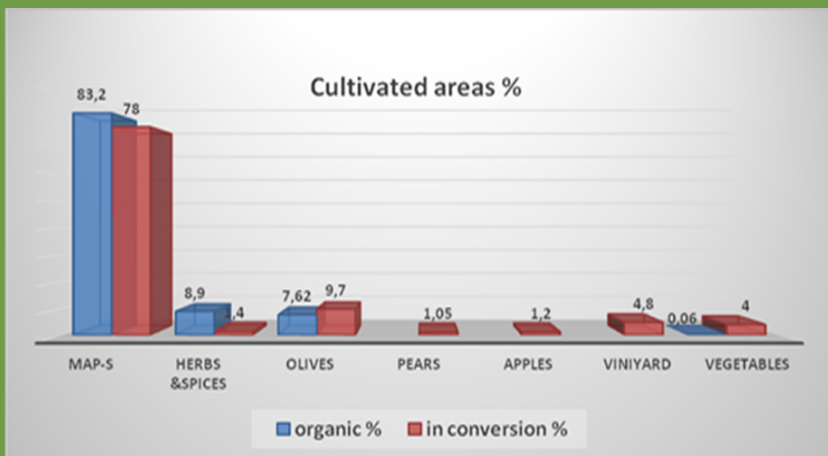
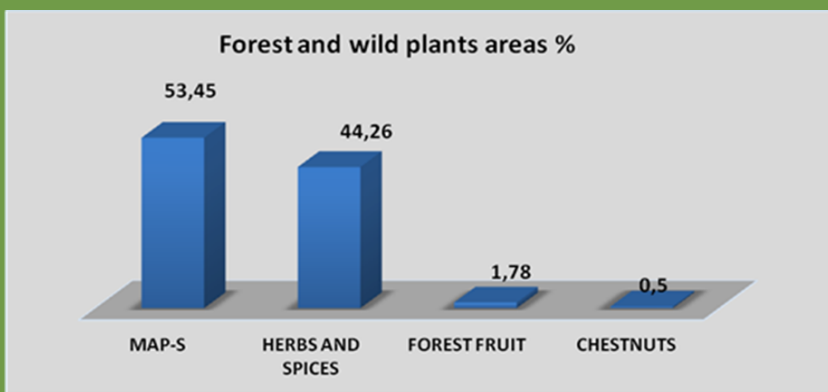
1. Decision of Council of Ministers No 830 of 18.12.2019 “On detailed rules for collection, packaging, transport, storage, labelling, notification of activity and control of biologic products.
2. The Order of Minister of Agriculture and Rural Development No.228, date 8.6.2020 “On the approval of list of products and substances used in processing of biological food” This order is partially aligned with the Commission implementing regulation (EU) 2019/2164 of 17 December 2019



Organic development *Production Diversity*

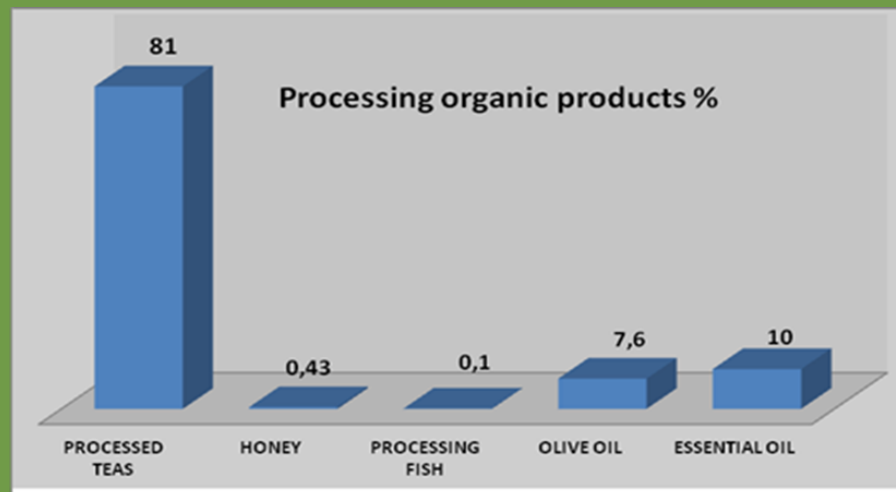


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There are three livestock operators on beekeeping and poultry.

There is only one company producing eggs for consumption (1.952.500 eggs).



Needs Assessment



Local

- Lack of competent extension services; low production efficiency, high production costs
- Market logistics
- Market access and consumers awareness
- Create zones of organic production (expansion of production)
- Support for certification
- Knowledge on packaging, technology, eco-friendly
- Access to seeds and planting material
- Models of contract farming
- Subsidy on production and processing

Export

- Promotion in export markets, business meetings, international events
- Market logistics
- Information on market opportunities, participation in fairs
- Support for certification
- Access to investment capital, working capital
- Better systems to monitor compliance with environmental protection rules
- Subsidy on production and processing
- Lobbying for organic export industry regarding trade agreements with EU countries

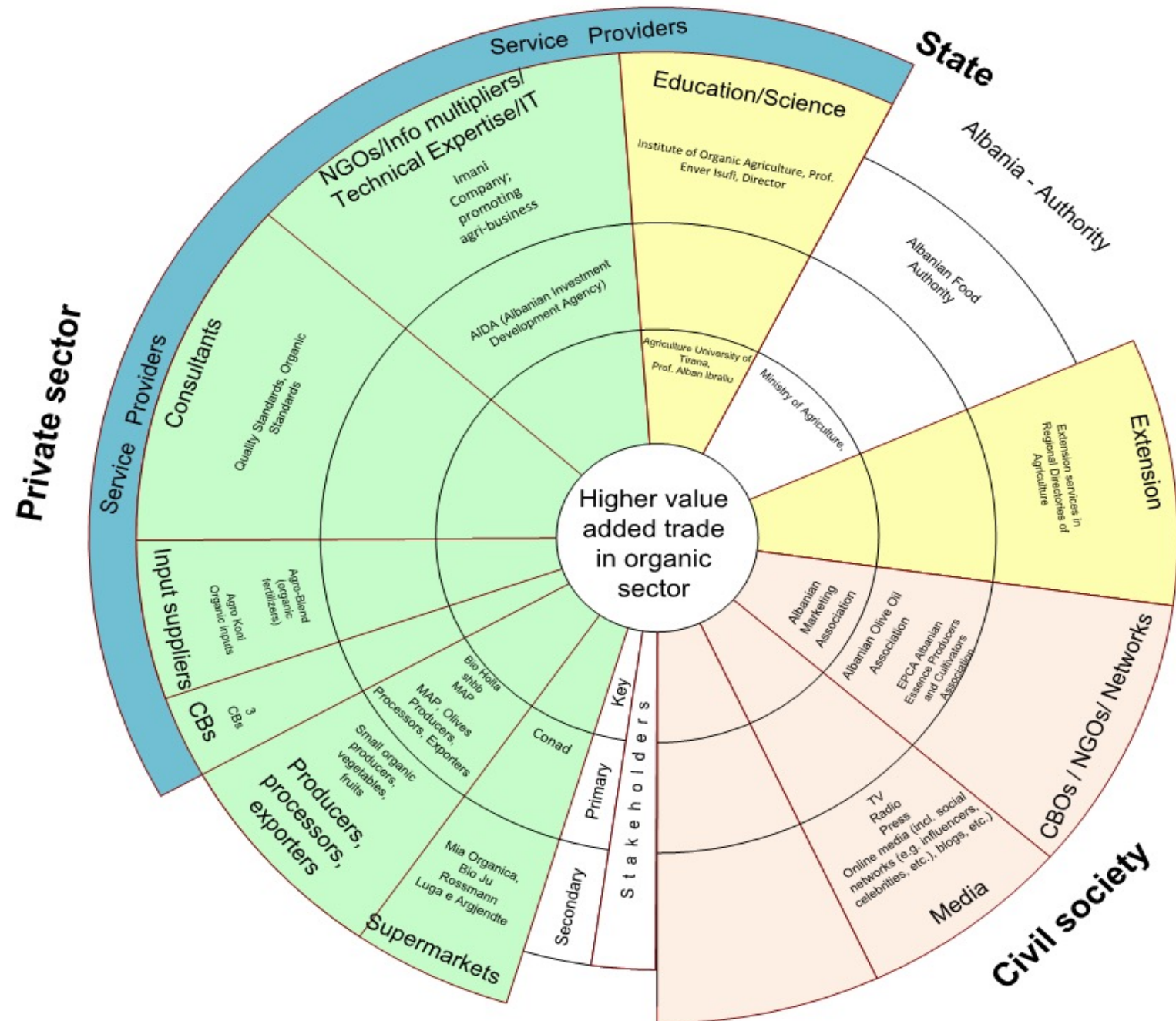
ALBANIAN ORGANIC STAKEHOLDER MAP



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Organic Overview

Key stakeholders in the organic sector



Planned Intervention – Component 1



Component 1

Establishment of a Market Information System

1 Specific activities: *Coordinate with sector actors, SIPPO, GIZ and others to understand market information needs of likely clients of the service until beginning of Sept 2021; etc.*

Develop Capacities for Business Support Organizations

2 Specific activities: *Support in promotion of timely and competent support services within the sector (web site, promotion material...) during Oct-Dec 2021; etc*

Support Service Providers to meeting certification requirements

3 Specific activities: *Implementation of 1st training event common for Serbian and Albanian CBs and private consultants tentatively in end of Sept - beginning of Oct 2021; etc.*

PPP

4 Specific activities: *Launch invitation for the Virtual Kick off OT4D Program in June 28th, 2021; etc.*

Establishment of Import- Export-Platforms through sector convening events

5 Specific activities: *1st virtual platform meeting CH/EU to present and discuss project activities and PPP Facility by October 2021; etc.*

Planned Intervention



Component 2

Support in enhancement of sector governance

- 1 Specific activities: *Organization of Organic Foundation Course in Oct 18 - 22, 2021; Support the Albanian companies in finalizing the application for exhibiting in Biofach 2022 by the end of October 2021; etc.*

Increase consumer awareness and demand on organic food

- 2 Specific activities: *Conduct consumer research for development of national campaigns in organic by end of October - November 2021; Participation in I Grow Your Food action day in September 2021, etc.*

Local farmers supply organic products at national and local outlets

- 3 Specific activities: *Seed fund - Concept developed by December 2021; Assessment of farmers' needs for exchange visits by December 2021; etc*

Governments apply best practice policies for sustainable sector development.

- 4 Specific activities: *Organize information sharing sessions to policy makers on the new EU regulations during July - Dec 2021; etc.*

Iris Kazazi, iriskazazi@aam.al

Thank you

www.ifoam.bio



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Organic Sector in Ukraine

Kateryna SHOR

Country Coordinator in Ukraine



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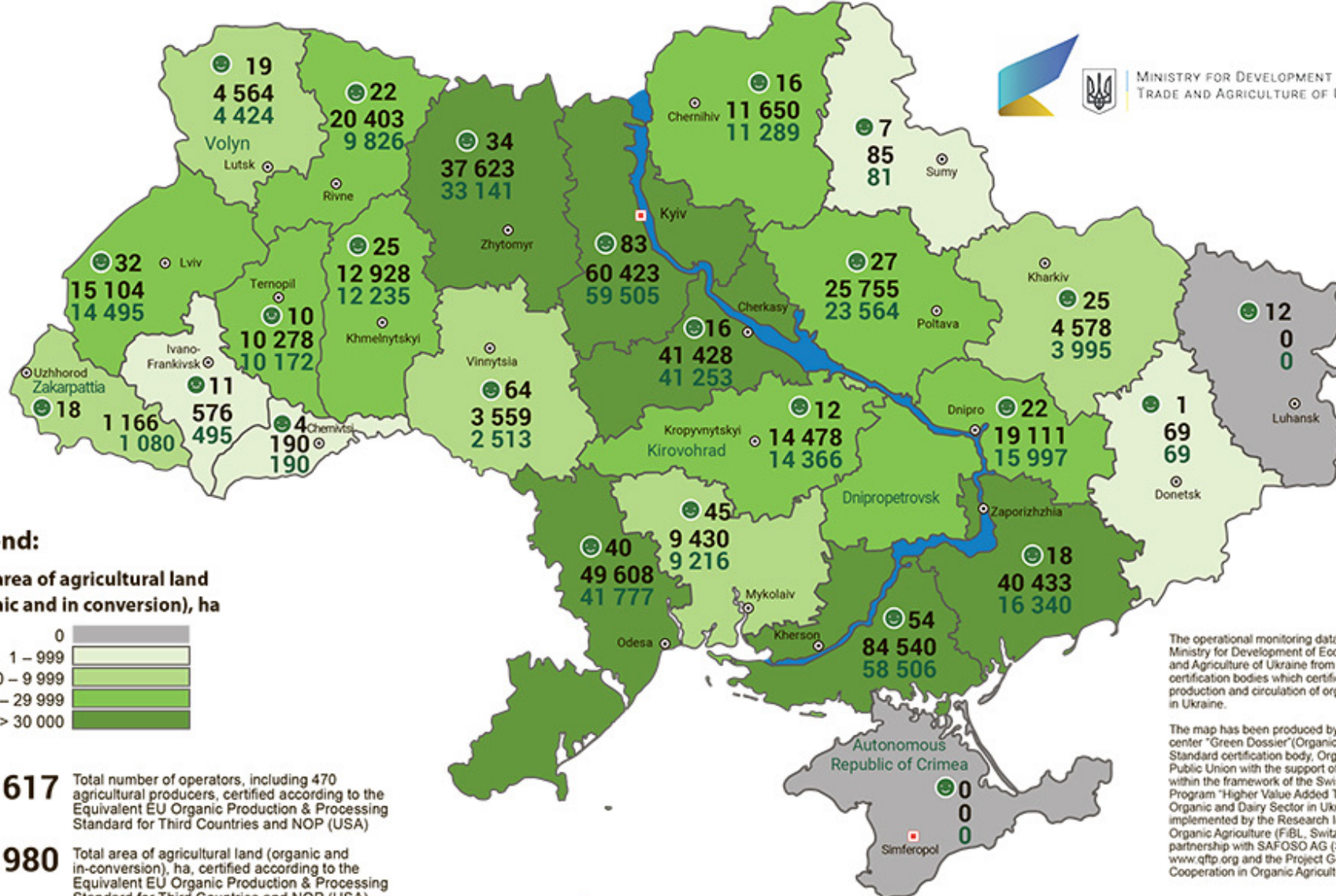
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ORGANIC MAP OF UKRAINE

as of 31.12.2019

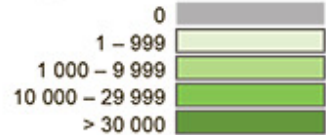


MINISTRY FOR DEVELOPMENT OF ECONOMY,
TRADE AND AGRICULTURE OF UKRAINE



Legend:

Total area of agricultural land
(organic and in conversion), ha



617 Total number of operators, including 470 agricultural producers, certified according to the Equivalent EU Organic Production & Processing Standard for Third Countries and NOP (USA)

467 980 Total area of agricultural land (organic and in-conversion), ha, certified according to the Equivalent EU Organic Production & Processing Standard for Third Countries and NOP (USA),

384 529 including organic agricultural land, ha

The operational monitoring data collected by the Ministry for Development of Economy, Trade and Agriculture of Ukraine from foreign certification bodies which certified organic production and circulation of organic products in Ukraine.

The map has been produced by information center "Green Dossier" (Organicinfo.ua), Organic Standard certification body, Organic Ukraine Public Union with the support of Switzerland within the framework of the Swiss-Ukrainian Program "Higher Value Added Trade from the Organic and Dairy Sector in Ukraine" implemented by the Research Institute of Organic Agriculture (FiBL, Switzerland) in partnership with SAFOSO AG (Switzerland), www.qfp.org and the Project German-Ukrainian Cooperation in Organic Agriculture (COA).



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SAFOSO

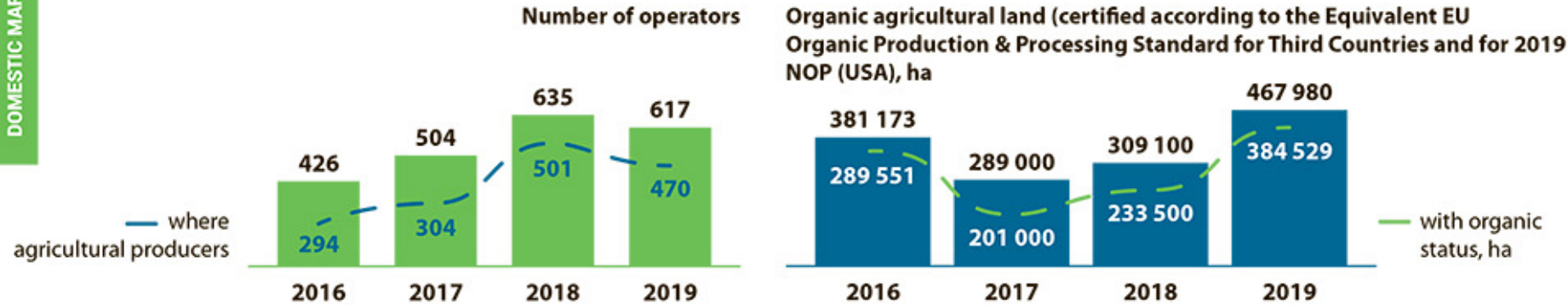


Organic Standard

Organic Ukraine

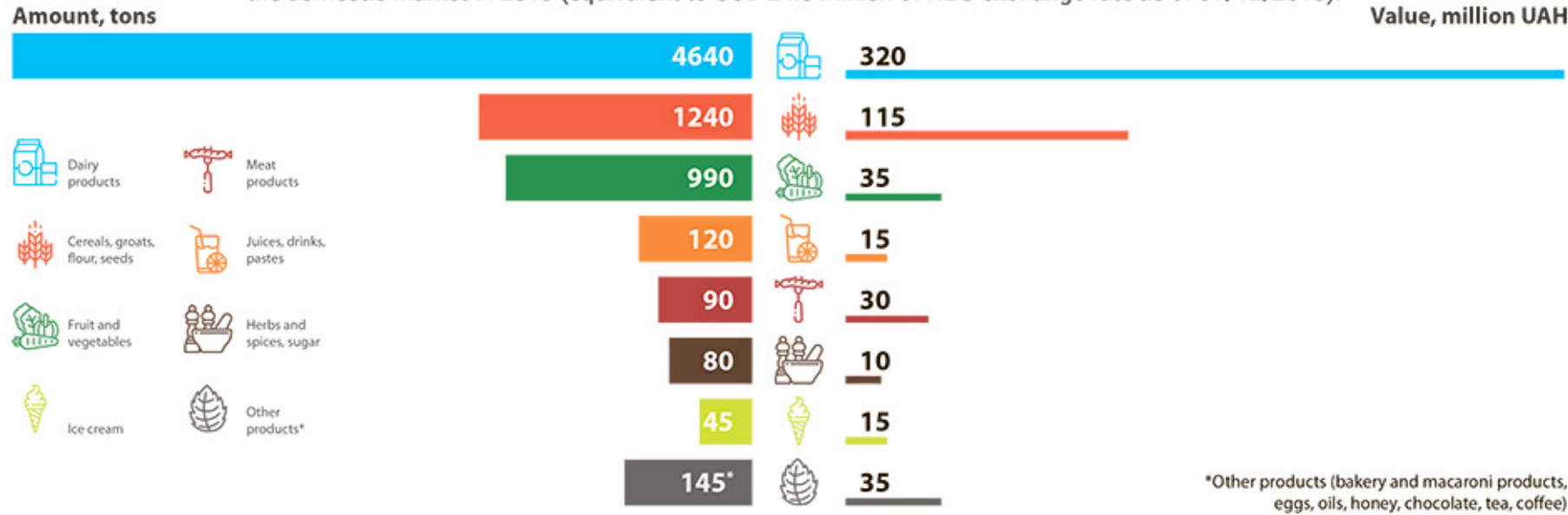
organicinfo

Overview of the Organic Market in Ukraine



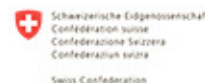
Domestic organic market

A total of 7,350 tons of organic products at a value of UAH 575 million are estimated to have been sold on the domestic market in 2019 (equivalent to USD 24.3 million of NBU exchange rate as of 31/12/2019).



*Other products (bakery and macaroni products, eggs, oils, honey, chocolate, tea, coffee)

This infographics is based on the organic market survey held by Information Center "Green Dossier", Organic Standard Ltd and FiBL (Switzerland) in the frame of the project "Organic Market Study and Policy Development Support" funded by the Swiss Confederation.



Overview of organic export from Ukraine, 2019



About **35** exporting countries



About **80** organic products



About **236** importing companies



Total organic export from Ukraine \approx **189** million USD

DISTRIBUTION OF ORGANIC EXPORT FROM UKRAINE BY REGION



This infographic is based on the organic market survey held by Information Center "Green Dossier", Organic Standard Ltd and FiBL (Switzerland) in the frame of the project "Organic Market Study and Policy Development Support" funded by the Swiss Confederation.





Main trading partners include Ecuador, Dominican Republic, China and Ukraine

The ten largest export countries of organic products to the EU represented 64 % of imports in 2020.

FIGURE 4 – Share (%) of total organic agri-food import volumes by export country, 2019 (inner circle) and 2020 (outer circle)



Source: Traces

Organic Trade for Development - perspectives



Land under organic production

—

3% of the total area of agricultural lands in Ukraine, which is approximately 1.3 million hectares.



Exports of organic products

—

Increasing of export values to 1 billion US dollars by 2030.

Organic Trade for Development – sector needs



Low consumer awareness about organic

—

- increasing consumer awareness about benefits of organic products;
- increasing confidence in organic products;
- make information about organic available at sale points.



Lack of information about organic agriculture

—

- strengthening service providers through capacity development and know-how;
- attracting new producers and service providers to the sector.



Increasing domestic sales

—

- building capacity of operators about marketing issues;
- differentiate sale points of organic products.

Organic Trade for Development – key activities



Organic Leadership Course

—
approximately 20 people will be trained to become organic leaders.



Communication Campaign

—
will be supported in Ukraine (campaign launched in May 2021 implementing by Organic Initiative).

#IGrowYourFood campaign and other initiatives and cooperation with media will be supported.



Market actors support

—
strengthening of existing and new local marketing initiatives.

Thank you!



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PPP Co-financing facility

Call for PPP proposals



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PPP co-financing facility

Matching grant to Private-Public-Partnerships (PPP) projects in the organic export-oriented supply chains of Albania, Ukraine and Serbia.

PPP Co-Financing Facility

Total amount of CHF 1.5 million for PPP projects (SECO).

Matching grant

- Minimum private contribution of 50% of the total project costs required
- Maximum of 30% in-kind contribution (= minimum of 20% financial contribution)
- Project budget must provide financing of monitoring and evaluation of the PPP

Ranges of contribution

Category	Range of contribution	Targeted number of projects per country
A	Up to 50'000 CHF	2-6
B	Up to 100'000 CHF	2-4

Call for PPP project proposals (1)

Objective

- PPP enable export business partnerships that contribute to Value addition and/or develop new suppliers from Ukraine, Albania and Serbia.
- Improve economic prospects in rural areas by creating new jobs and mobilizing investments of strategic relevance.
- Capacity development of the organic sector actors to become more competitive in the export market
- Creation and contribution to **public goods** that benefit the entire sector

→ for Export Business only!

Call for PPP project proposals (2)

Public Good

In general:

public good (also social good or collective good) is a good that is both non-excludable and non-rivalrous, and valuable to more than one user. Users cannot be barred from accessing and/or using it for failing to pay for it. Also, the use by one person neither prevents access of other people nor does it reduce availability to others. Therefore, the good can be used simultaneously by more than one person.

In OT4D:

- anchorage of organic practice in rural advisory systems, agricultural schools and business associations
- improved general access to organic inputs (e.g. seeds)
- overall strengthening of capacities of local BSOs including research and development institutions

Call for PPP project proposals (3)

Who can apply?

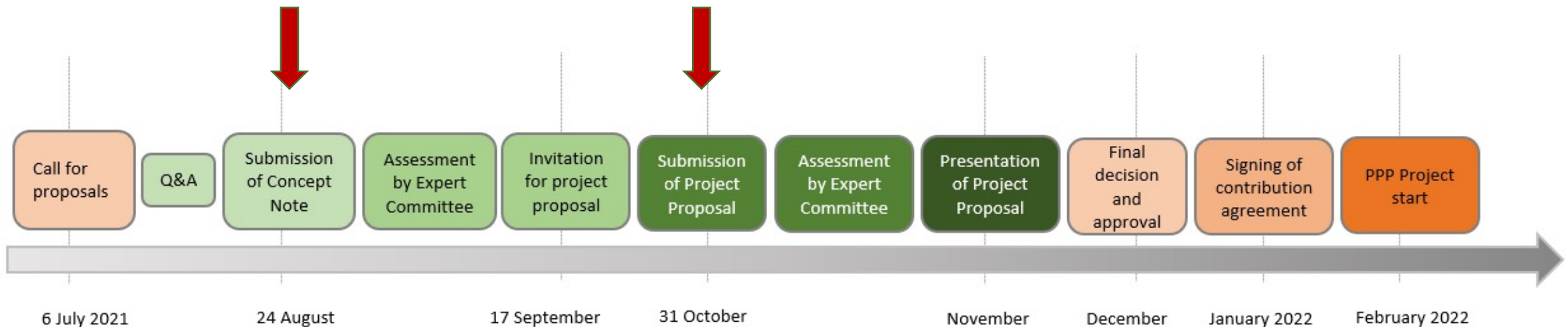
The Swiss and EU based sourcing industry in partnership with the Serbian/Albanian/Ukrainian producing industry supplying the Swiss and European (EU) organic markets

How to apply?

Hand in a Concept Note based on the template provided in with the call details:
Downloadable on www.organictrade4development.org

Call for PPP project proposals (4)

Organic Trade for Development (OT4D)
Private-Public-Partnerships Co-Financing Facility
Timeline of Call for Proposals 2021



Call for PPP project proposals (5)

Questions and Answers

Time frame until August 6

Please hand in your questions in written to OT4D@helvetas.org.

The answers to your question will be accessible to everybody interested at www.organictrade4development.org